

## Construction Establishments and Numbers of Employees

The Economic Census, the major source of information on the structure and performance of the U.S. economy, is conducted every five years by the Census Bureau. The 1997 *Economic Census* reported 2.55 million construction establishments, an increase of 32% from 1.92 million in 1992.<sup>1</sup> Payroll establishments in construction totaled 656,448 in 1997, 15% higher than 572,851 in 1992. (3% of the 15% figure consists of payroll establishments that were not counted in construction in the SIC system used in 1992.) The 1.89 million establishments without payroll in construction – sole proprietorships and some corporations and partnerships – reflected a growth of 40% from 1.35 million. (Establishments without payroll are also known as nonemployer establishments.)

An establishment is a single physical location at which business is conducted and/or services are provided. So, a company or corporation may consist of more than one establishment (*see* Glossary). Because an establishment is relatively permanent, a construction project or site is not usually an establishment.

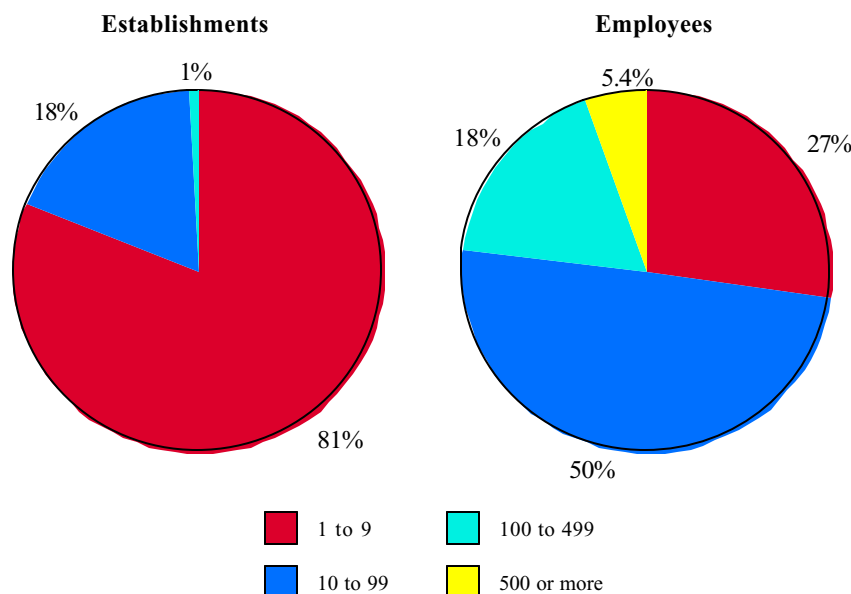
The construction industry consists almost entirely of small establishments (chart 2a). Some 81% of construction

establishments with payroll have fewer than 10 employees. The largest payroll establishments in the industry, having 500 or more employees, are well under 1% of the total, although they employ 5.4% of the industry's payroll employees (chart 2b). The Census Bureau counts any establishment in business during 1997 using federal tax rolls.

The 1997 Economic Census counted 5.7 million construction employees. (The census averages counts of employees taken during four sample weeks yearly, which include these dates: March 12, May 12, August 12, and November 12. Employment levels ranged from 5.9 million in August to 5.3 million in March.)

Establishments without payroll make up 74% of construction establishments. More than 90% of construction establishments without payroll are sole proprietorships (chart 2c). In fact, some 70% or more of construction establishments are sole proprietorships in seven states. The states, Kentucky, New Hampshire, Oklahoma, Mississippi, Texas, Arkansas, and Tennessee, are listed here in increasing order, with Tennessee at 80%. (*see* chart book page, Self-Employment in Construction and Other Industries).

### 2a. Construction establishments and employees, by establishment size, 1997 (Payroll establishments)

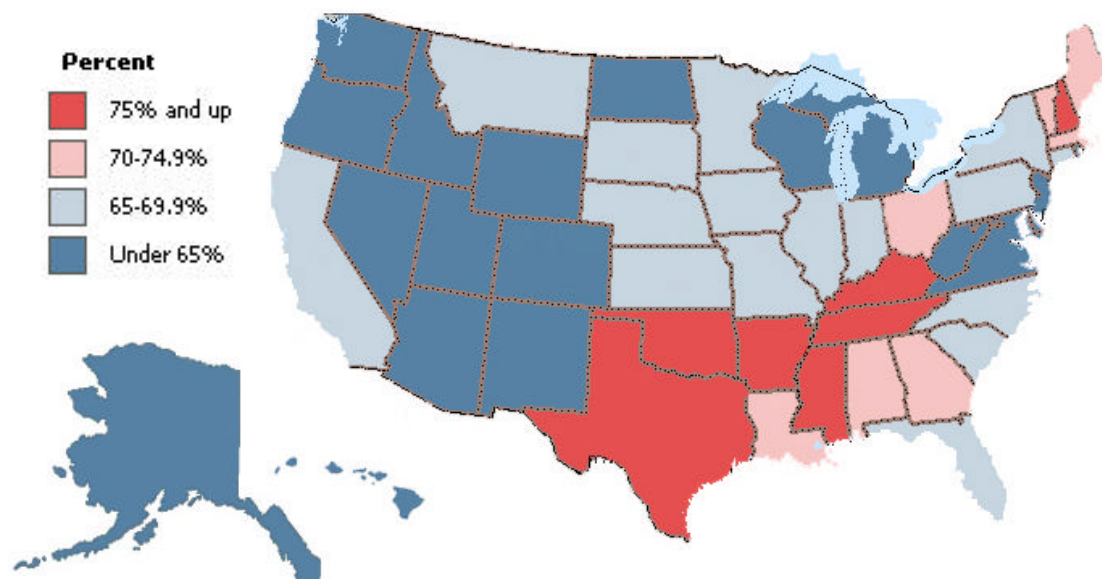


1. The 1997 *Economic Census - Construction* was published previously as the 1992 *Census of Construction Industries* and counts only establishments in the private sector. For nonemployer data, *see* [www.census.gov/prod/ec97/97x-cs4.pdf](http://www.census.gov/prod/ec97/97x-cs4.pdf), which is published annually.

## 2b. Number and percentage of construction establishments and employees, by establishment size, 1997 (Payroll establishments)

Establishment size (number of employees)	Number of establishments	% of all establishments	Total number of employees	% of all employees
1 to 9	532,645	81.14%	1,552,155	27.40%
10 to 19	67,093	10.22%	890,450	15.72%
20 to 99	50,764	7.73%	1,920,339	33.90%
100 to 499	5,631	0.86%	994,244	17.55%
500 or more	317	0.05%	307,664	5.43%
Total	656,448	100.00%	5,664,853	100.00%

## 2c. Construction establishments as sole proprietorships, by state, 1997



Note: All charts - Data cover private sector only.

Chart 2a - Percentages may not add up to 100 because of rounding.

Charts 2a and 2b - In 1997, payroll establishments totaled 656,434, with 5.7 million employees.

Chart 2c - Nonemployer establishments totaled 1.89 million in 1997. Although this chart resembles chart 3d in *The Construction Chart Book, Second Edition*, the two charts are not comparable. Census data for 1992 covered numbers employed in partnerships and proprietorships by state, but estimates of numbers employed in such arrangements by state were not provided in the 1997 census. The Bureau of Labor Statistics Current Population Survey, using different definitions, shows 2.1 million self-employed (incorporated and unincorporated) (1997 Current Population Survey Earnings Files. Washington, D.C., Office of Current Employment Analysis. Calculations by Xiuwen Dong, The Center To Protect Workers' Rights.)

Source: Charts 2a-2b - U.S. Census Bureau, *Industry Summary*, 1997 Economic Census - Construction, Subject Series, January 2000 (EC97C23S-IS).

Chart 2c - U.S. Census Bureau, *Nonemployer Statistics 1997*, 1997 Economic Census, Core Business Statistics Series, January 2001 (EC97X-CS4), <http://www.census.gov/prod/ec97/97x-cs4.pdf>